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CHARLES ELMORE CROPLEY
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1930.

No. 54

CARBICE CORPORATION OF AMERICA,
Petitioner.

v.

AMERICAN PATENTS DEVELOPMENT CORPORATION and DRY ICE CORPORATION OF AMERICA,
Respondents.

RESPONDENTS' MOTION FOR A STAY OF CONSIDERATION OF PETITIONER'S PETITION.

CLARENCE D. KERR,
Attorney for Respondents.

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CARBICE CORPORATION OF AMERICA,
Petitioner,

v.

AMERICAN PATENTS DEVELOPMENT CORPORATION and DRY ICE CORPORATION OF AMERICA,
Respondents.

Respondents' Motion for a Stay of Consideration of Petitioner's Petition.

And now come Respondents, by their attorney, and move this Court that consideration of Petitioner's petition for reconsideration be and hereby is postponed pending the receipt of Respondents' petition for rehearing, which is in course of preparation and will be filed during the week of March 23rd.

CLARENCE D. KELLY,
Attorney for Respondents.

IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1930.

No. 54.

CARBICE CORPORATION OF AMERICA,
Petitioner,

v.

AMERICAN PATENTS DEVELOPMENT CORPORATION and DRY ICE CORPORATION OF AMERICA,
Respondents.

STATE OF NEW YORK
COUNTY OF NEW YORK } ss.:

CLARENCE D. KERR, being duly sworn, deposes and says:

That he is one of the attorneys for the Respondents herein; that he is engaged in preparing a petition for rehearing in the above case, which will be completed and filed during the week of March 23rd and within the period permitted by the rules for filing petitions for rehearing.

That the Petitioner filed a petition for reconsideration and other relief in this Court on March 16th, which was not served upon counsel for Respondents and the filing of which was learned quite by accident.

It is believed that the Court will wish to know *all* the facts in relation to the matters set out in Petitioner's petition for reconsideration and will desire to consider both Petitioner's and Respondents' petitions at one and the same time, as consideration of the Petitioner's peti-

tion in advance of Respondents' petition may prejudice the Respondents.

WHEREFORE, it is therefore respectfully urged that action upon Petitioner's petition be withheld pending receipt of Respondents' petition.

This motion is presented in good faith and is not for the purpose of delay.

CLARENCE D. KERR

Sworn to before me
this 19th day of March, 1931.
HAROLD A. PATTERSON
Notary Public
New York County Clerk's No. 22
N. Y. County Register's No. 2-P-22
Commission expires March 30, 1932

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CARBICE CORPORATION OF AMERICA,
Petitioner,

vs.

AMERICAN PATENTS DEVELOPMENT CORPORATION AND DRYICE CORPORATION OF AMERICA,
Respondents.

Affidavit of Laurence A. Janney, in behalf of Respondents, on Petitioner's "Petition for Reconsideration and Other Relief".

IN THE

Supreme Court of the United States

No. 54—OCTOBER TERM, 1930.

CARBICE CORPORATION OF AMERICA,
Petitioner,

vs.

AMERICAN PATENTS DEVELOPMENT CORPORATION AND DRYICE CORPORATION OF AMERICA,
Respondents.

Affidavit of Laurence A. Janney, in behalf of Respondents, on Petitioner's "Petition for Reconsideration and Other Relief".

STATE OF NEW YORK }
County of New York } ss.:

LAURENCE A. JANNEY, being first duly sworn, deposes and says as follows:

In a "Petition for Reconsideration and Other Relief", filed in this Court on March 16, 1931, the Petitioner, Carbice Corporation of America, quotes, with unfavorable criticism, a certain statement released in the name of the Respondent, DryIce Corporation of America, on or about March 10, 1931, referring to the opinion of this Court, in the above entitled cause, announced on March 9, 1931 (the statement referred to by Petitioner is quoted as Appendix

I, following page 5, of said "Petition for Reconsideration and Other Relief"). In some respects the statement quoted by Petitioner differs from the official release by DryIce Corporation as presently quoted verbatim.

The statement released by DryIce Corporation was prepared by the present affiant, a lawyer and a member of the bar of the United States Supreme Court; and affiant must, and does, assume full responsibility for the text of said statement. In other words, the statement was released by DryIce Corporation of America only after receiving advice of counsel who actually drafted the statement.

Mr. Charles Neave, active counsel for Respondents, and Mr. Clarence D. Kerr associated with Mr. Neave, were both inaccessible when the need arose to prepare a statement for DryIce Corporation. Mr. Neave was in Georgia on a vacation, and Mr. Kerr was away from his office and could not be reached by telephone or otherwise. Affiant is one of the consulting counsel of DryIce Corporation, and the duty devolved upon him to prepare the necessary statement. Affiant desires to make it unmistakably clear that neither Mr. Neave nor Mr. Kerr participated in any degree in the preparation of the statement.

If said released statement involved the slightest impropriety, expressed or implied, affiant would be most humbly apologetic to this Court. On the other hand, the statement was prepared by affiant in the utmost good faith and in the confident belief, which still persists, that the statement was wholly justified, was fair in every particular, and was imperatively necessary to be published.

This conclusion is enforced by the fact that *publicity had already been given* to this Court's opinion in this cause, *before* the DryIce Corporation statement was drafted or

released. Some counter-statement, making clear a residual strength in Respondent's patent situation in view of this Court's opinion, seemed essentially called for, especially in view of damage threatened to Respondent's business by the inadequate and erroneous character of the *earlier* publicity.

On March 9, 1931, on the same day upon which this Court's opinion was delivered in this cause, there appeared on the Dow Jones ticker in New York City (a ticker service which serves practically every banking and brokerage office in the principal cities of the country, and many business offices besides), the following statement, not previously known to or approved by respondents, as affiant is informed and believes.

"DRYICE PATENT SUIT RULING.

"Washn—American Patents Development Corporation and DryIce Corp. of America lost their suit in U. S. Supreme Court against Carbice Corp. of Amer. for infringement of patent covering *manufacture* of solidified carbon dioxide or—Dry Ice—as a refrigerant.

"Patents Development Corp. had a patent on a *method* of refrigerating foodstuffs by means of solid carbon dioxide—the licensee of the patents the DryIce Corp. of Amer. sells solid carbon dioxide to be used with this *method* on the condition that the buyer would use the carbon dioxide manufactured by the DryIce Corp.

"The Carbice Corp. sold its solid carbon dioxide to a user of the patent and suit was instituted by the Development Corp. for infringement of its patent.

"Justice BRANDEIS in announcing decision of the Court said to sustain the appellants contention would be to limit the use to which the patent could be put which he said could not be done."

The foregoing is obviously inaccurate and misleading. The suit was not for infringement of a patent "covering manufacture of solidified carbon dioxide". The patent was not on "a *method* of refrigerating foodstuffs".

The same text just quoted, containing the same inaccuracies, was published, without any knowledge or approval by DryIce Corporation or its counsel (as affiant is informed and believes) in the Wall Street Journal in the evening edition of March 9, 1931, and in the morning edition of March 10, 1931, both preceding any drafting or release of DryIce Corporation's statement.

In affiant's opinion, the effect of the foregoing publicity was to create the impression that the patent situation of Respondent DryIce Corporation of America was practically demolished. That, however, was not the case, because in this Court's opinion it was explicitly said "whether the transportation package described is a patentable invention *we need not determine*. For even if it is, no relief can be granted". Further, the opinion had said "if the patent is valid the owner can, of course, prohibit entirely the manufacture, sale or use of such packages [case cited]".

Nowhere in this Court's opinion was there any disparagement of the patentability of the invention in issue, or the validity of the patent sued upon. In other words, the validation of the patent by the United States Circuit Court of Appeals for the Second Circuit remained undisturbed.

It seemed to affiant essential to the legitimate interests of Respondents, and entirely fair and equitable, that the public be apprised of the circumstances just mentioned. Accordingly the released statement of March 10, 1931, in the name of DryIce Corporation of America, was issued

with the primary object of indicating that Respondents' patent had not been invalidated by the Supreme Court.

The statement released in the name of DryIce Corporation read as follows:

"On Monday, March 9, 1931, the Supreme Court handed down its decision in the suit brought by the DryIce Corporation, under one of its one hundred patents, against the Carbice Corporation.

"In the same suit, the Federal Circuit Court of Appeals held the patent valid, and that holding of validity was not disturbed by the Supreme Court decision.

"The Supreme Court said that the invention claimed is for *a particular kind of package* [as distinguished from the 'manufacture' or 'method' erroneously mentioned in the earlier unauthorized publicity] employing solid carbon dioxide in a new combination and pointed out that if the patent is valid the owner can, of course, prohibit entirely the manufacture, sale or use of such packages or can grant licenses.

"Since the validity of the patent, as sustained by the Court of Appeals, has not been disturbed, the DryIce Corporation are now forced to seek their remedies for infringement of this patent by suing directly against the user of solid carbon dioxide who makes the patented package without license. For this purpose a new suit is being filed immediately.

"The DryIce Corporations had desired not to sue consumers but had preferred to confine their infringement suits to those who sell solid carbon dioxide for infringing use. But, *as we interpret the decision*, the Supreme Court disapproves that procedure, and indicates that the proper way to enforce the patent monopoly is by directly suing those who use solid carbon dioxide in the patented combination without license.

In no way was the true patent monopoly limited or curtailed.

"Since the validity of the patent remains undisturbed, the Supreme Court decision is beneficial to the DryIce Corporations because it designates a proper procedure for protecting the company's valuable patent rights."

It will be noted that next to the last paragraph just quoted expressly indicates that the statement is made *"as we interpret the decision"* of the Supreme Court. That important particular does not occur in the statement as presented in the "Petition for Reconsideration and Other Relief".

The statement quoted in the "Petition for Reconsideration and Other Relief" includes a final paragraph which is simply descriptive of Respondents' established plants and business, and which is entirely accurate. This final paragraph was not included in Respondents' official release, quoted above. Affiant is informed and believes that after the original statement had been released and published, this final paragraph was added and copies were mailed in a few instances to those directly interested in Respondents' business.

Besides referring to the statement released in the name of DryIce Corporation of America, the "Petition for Reconsideration and Other Relief" (appendix III, IV and V) quotes newspaper versions of the statement.

In the "New York American" of March 11, 1931 (Petition, Appendix III) there was used, without approval or knowledge of DryIce Corporation, or its counsel (as affiant is informed and believes), an unfortunate and inaccurate title which was not justified by the statement actu-

ally issued by DryIce Corporation. The "New York American" head-line was:

"DryIce Corp. Patent Monopoly Sustained."

Then followed a partial quotation of the statement as released, and the quotation did not support nor justify the head-line.

In the "New York Evening Post" of March 11, 1931, (Petition, Appendix IV), occurred the statement:

> "The Supreme Court recently upheld the patents of the company in its suit against the Carbice Corporation".

This was published without approval or knowledge of DryIce Corporation of America or its counsel, and was not justified by any authorized statement. Following the statement just quoted the "New York Evening Post" article repeated a part of the statement that had been released.

In the Wall Street Journal of March 11, 1931 (Petition, Appendix V), there is a verbatim quotation in full of the statement issued in the name of DryIce Corporation.

Since it was the fact that the opinion of the Supreme Court had left undisturbed the validity of the patent in suit (as found by the Court of Appeals), it seemed to affiant that it was necessary to make that fact clear as promptly as possible in order to correct the earlier inaccurate published accounts and to forestall implications to the contrary which might be published. Respondents had already encountered statements in the public press, purporting to quote Mr. F. A. Rogers, President of Solid Carbonic Co., Ltd. (a privy of Petitioner, Carbice Corporation), which gave to the public a misleading impression of the

status of the controversies between the major competing parties.

Just following the decision by the United States Circuit Court of Appeals for the Second Circuit sustaining the patent in suit and finding it infringed, the Wall Street Journal in the morning edition of February 7, 1930, mentioned the decision and said, in part:

> "Decision of the United States Court of Appeals in the patent litigation between the DryIce Corp. and the Carbice Corp. is something with which Solid Carbonic Co., Ltd., *is not concerned*, according to F. A. Rogers, President of Solid Carbonic Co., Ltd. This company manufactures solid carbon dioxide under the trade name of "Carbonice" and while it is used in transportation packages, *it is not used in the specific arrangement covered by the Slate patent* [here in suit] which formed the subject-matter of the litigation, he stated".

This statement, attributed to the President of Solid Carbonic Co., was misleading (whether intentional or not) in two respects: (1) it prejudged, without justification, the question whether the refrigerated transportation packages employing that company's solid carbon dioxide infringed the patent as sustained by the Circuit Court of Appeals; and (2) it contradicted the clear evidence in the record of this cause to the effect that the Solid Carbonic Company was not only *defending* the suit at bar, and was *paying the expenses* of the defense, but also the Solid Carbonic Company *owned at least 51% of the stock of the defendant, Carbice Company*". The testimony to this effect is in the present record, page 35, fol. 55, in the testimony of Mr. Walter E. Ditmars, who had been President of the Carbice Corporation of America until September

1927; and who thereafter was executive manager of the Carbice Corporation (the present Petitioner) and also President of Solid Carbonic Co. Mr. Pitmars was President of Solid Carbonic Co. at the time of his testimony (R. p. 35, fol. 55).

By the inaccurate statement ascribed to the President of Solid Carbonic Company in the Wall Street Journal as quoted above, the impression was broadcast that the Solid Carbonic Company (a major competitor of respondents), although shown to have openly supported and financed the defense of the Carbice Corporation, remained wholly unaffected by the decision of the Circuit Court of Appeals. Naturally, the present affiant, reasoning in behalf of DryIce Corporation, apprehended that further similarly inaccurate statements might be published with reference to the Supreme Court decision. Hence the necessity appeared for forestalling any mistaken impression in the public mind as to the continuing valid status of the patent in suit, as sustained by the Court of Appeals, unaffected by the Supreme Court decision.

Affiant invites the Court to bear in mind that the Dow Jones ticker statement above quoted (*ante* page 3) and the Wall Street Journal repetitions thereof, were broadcast on March 9, and in the morning of March 10, 1931, while the DryIce Corporation's statement was released in the afternoon of March 10, 1931, and was also published by the Dow Jones ticker service late on that day. Hence the two statements should be read together, the later supplementing and clarifying the earlier. When these two statements, published so closely together, are compared, the entire fairness and legitimacy of the DryIce Corporation statement seem manifest.

In the DryIce Corporation's statement, criticised by Petitioner, the assertions of fact are strictly true. For example, in the third paragraph of the statement (*ante* page 5), there is a direct quotation from the opinion of the Supreme Court in the words "the invention claimed is for a particular kind of package employing solid carbon dioxide in a new combination" and a further direct quotation in the words "if the patent is valid the owner can, of course, prohibit entirely the manufacture, sale or use of such packages * * * or can grant licenses".

It is the fact that the "new suit" referred to in the fourth paragraph of the DryIce Corporation's statement (*ante* page 5) has already been entered in the United States District Court for the District of Connecticut, charging *direct* infringement by the manufacture, use and sale of the combination claimed in the patent in suit.

The statements of fact in the fifth paragraph (*ante* page 5) are true, of affiant's own knowledge; and affiant believes that the interpretation of this Court's opinion, as expressed in said paragraph, is wholly fair and accurate.

In the final paragraph of the statement, affiant avers that there is nothing objectionable because of the beneficial instruction to the DryIce Corporation, conveyed by the Supreme Court opinion, as to the need to proceed against direct infringers instead of contributory infringers.

While affiant believes, with the utmost sincerity, that no fault can be found, in fairness, with the statement issued in the name of DryIce Corporation,—nevertheless, if there is any part of the statement to which the Supreme Court may take exception, affiant, as the individual solely

responsible, stands ready to make amends in any manner which the Court may prescribe.

Respectfully,

LAURENCE A. JANNEY.

Subscribed and sworn to before me this 19th day of March, 1931.

JOHN HERR, JR.
Notary Public, Queens Co. Clerk's No. 791
Queens County Register's No. 5136
New York County Clerk's No. 475
New York County Register's No. 3H294
Certificates filed in Westchester Co. 2/19/31
Commission expires March 30, 1933